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Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1956.

THE SENATE OF CANADA ★

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AN ACT TO INCORPORATE THE PROVIDENT ASSURANCE COMPANY.

AS PASSED BY THE SENATE, 15th JUNE, 1955.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1956

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Preamble.

WHEREAS the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:— 5

Incorporation.

1. Honourable Alphonse Raymond, industrialist, Jean Raymond, industrialist, both of the city of Montreal, in the province of Quebec, and Etienne Crevier, manager, of the city of Outremont, in the province of Quebec, together with such persons as become shareholders in the company are incorporated under the name of The Provident Assurance Company, and in French, La Prévoyance, Compagnie d'Assurances, hereinafter called "the Company". 10

Provisional directors.

2. The persons named in section 1 shall be the provisional directors of the Company. 15

Capital stock.

3. The capital stock of the Company shall be one million dollars, divided into shares of ten dollars each.

Subscription before general meeting.

4. The amount to be subscribed before the general meeting is called for the election of directors shall be five hundred thousand dollars. 20

Head office.

5. The head office of the Company shall be in the city of Montreal, in the province of Quebec.

Classes of
insurance
authorized.

6. The Company may undertake, transact and make contracts of insurance for all or any of the following classes of insurance:

| | | |
|-----|----------------------------------|----|
| (a) | fire insurance; | |
| (b) | accident insurance; | 5 |
| (c) | aircraft insurance; | |
| (d) | automobile insurance; | |
| (e) | boiler insurance; | |
| (f) | credit insurance; | |
| (g) | earthquake insurance; | 10 |
| (h) | explosion insurance; | |
| (i) | falling aircraft insurance; | |
| (j) | forgery insurance; | |
| (k) | guarantee insurance; | |
| (l) | hail insurance; | 15 |
| (m) | impact by vehicles insurance; | |
| (n) | inland transportation insurance; | |
| (o) | live stock insurance; | |
| (p) | machinery insurance; | |
| (q) | marine insurance; | 20 |
| (r) | personal property insurance; | |
| (s) | plate glass insurance; | |
| (t) | real property insurance; | |
| (u) | sickness insurance; | |
| (v) | sprinkler leakage insurance; | 25 |
| (w) | theft insurance; | |
| (x) | water damage insurance; | |
| (y) | weather insurance; | |
| (z) | windstorm insurance. | |

Subscription
and
payment of
capital before
commencing
business.

7. (1) The Company shall not commence any business of insurance until at least five hundred thousand dollars of its capital stock has been bona fide subscribed and at least that amount paid thereon. It may then transact the business of fire insurance, accident insurance, automobile insurance, guarantee insurance, inland transportation insurance, personal property insurance, plate glass insurance, sickness insurance, and, in addition thereto, civil commotion insurance, earthquake insurance, limited or inherent explosion insurance, falling aircraft insurance, impact by vehicles insurance, limited hail insurance, sprinkler leakage insurance, water damage insurance, weather insurance and windstorm insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company.

Additional
amounts for
certain
classes of
business.

(2) The Company shall not commence any of the other classes of business authorized by section 6 of this Act until the paid capital, or the paid capital together with the surplus, has been increased by an amount or amounts depending upon the nature of the additional class or

classes of business as follows, that is to say:—for aircraft insurance, the said increase shall not be less than forty thousand dollars; for boiler insurance, excluding machinery, not less than forty thousand dollars; for credit insurance, not less than forty thousand dollars; for earthquake insurance, not less than ten thousand dollars; for explosion insurance, not less than forty thousand dollars; for falling aircraft insurance, not less than ten thousand dollars; for forgery insurance, not less than forty thousand dollars; for hail insurance, not less than fifty thousand dollars; for impact by vehicles insurance, not less than ten thousand dollars; for live stock insurance, not less than forty thousand dollars; for machinery insurance, not less than forty thousand dollars; for marine insurance, not less than one hundred thousand dollars; for real property insurance, not less than twenty thousand dollars; for sprinkler leakage insurance, not less than ten thousand dollars; for theft insurance, not less than forty thousand dollars; for water damage insurance, not less than twenty thousand dollars; for weather insurance, not less than twenty thousand dollars; for windstorm insurance, not less than fifty thousand dollars.

Periodic
increase of
paid capital
and surplus.

(3) The Company shall, during the five years next after the date of its being registered for the transaction of fire insurance, increase its paid capital and surplus so that at the end of the first year it will be at least fifteen thousand dollars more than is required under the foregoing subsections of this section, and at the end of the second year at least thirty thousand dollars more than so required, and at the end of the third year at least forty-five thousand dollars more than so required, and at the end of the fourth year at least sixty thousand dollars more than so required, and at the end of the fifth year at least seventy-five thousand dollars more than so required.

When
Company
may transact
any or all
classes of
insurance
business.

(4) Notwithstanding anything to the contrary contained in this section the Company may transact all or any of the classes of insurance business authorized by section 6 of this Act when the paid capital amounts to at least five hundred thousand dollars and the paid capital together with the surplus amounts to at least one million dollars.

"Surplus"
defined.

(5) In this section the word "surplus" means the excess of assets over liabilities, including the amount paid on account of capital stock and the reserve of unearned premiums calculated *pro rata* for the unexpired term of all policies of the Company in force.

Power to
acquire
rights, etc.
of a certain
Quebec
insurance
company.

8. (1) The Company may acquire by agreement to insure or otherwise the whole or any part of the rights and property, and may assume the obligations and liabilities, including the obligations and liabilities relating to the life insurance business, of The Provident Assurance Company,

and in French, La Prévoyance, Compagnie d'Assurances, incorporated by chapter 68 of the statutes of Quebec, 1905, being an act entitled "An Act to incorporate La Société de Secours Mutuels La Prévoyance", as amended by chapter 128 of the statutes of Quebec, 1908, chapter 101 5 of the statutes of Quebec, 1912, chapter 119 of the statutes of Quebec, 1918, chapter 128 of the statutes of Quebec, 1920, chapter 141 of the statutes of Quebec, 1930, chapter 143 of the statutes of Quebec, 1937, and by Order in Council 864, dated August 28, 1952, passed in pursuance of section 10 93 of chapter 299 of the revised statutes of Quebec, 1941, in this Act called "the provincial company"; and in the event of such acquisition and assumption the Company shall perform and discharge all such obligations and liabilities of the provincial company in respect to the rights and 15 property acquired as are not performed and discharged by the provincial company.

Approval of
Treasury
Board.

(2) No agreement between the Company and the provincial company providing for such acquisition and assumption shall become effective until it has been submitted to 20 and approved by the Treasury Board of Canada.

Power to
transact
the business
of life
insurance.

9. In the event of the Company assuming the obligations and liabilities relating to the life insurance business of the provincial company, as herein provided, the Company may, in addition to the powers conferred by section 6 of this Act, 25 transact the business of life insurance but may issue new policies only on the non-participating plan; and, for the purposes of section 6 of the *Canadian and British Insurance Companies Act*, the policies issued on the participating plan by the provincial company prior to the passing of this 30 Act shall be deemed to have been issued on the non-participating plan.

R.S. 1952,
c. 31.

Coming into
force.

10. This Act shall come into force on a date to be specified by the Superintendent of Insurance in a notice in the *Canada Gazette*. Such notice shall not be given 35 until this Act has been approved by a resolution adopted by at least two-thirds of the votes of the shareholders of the provincial company present or represented by proxy at a meeting duly called for that purpose nor until the Superintendent of Insurance has been satisfied by such 40 evidence as he may require that such approval has been given and that the provincial company will cease to do business forthwith upon a certificate of registry being issued to the Company.

R.S. 1952,
c. 31.

11. The *Canadian and British Insurance Companies Act* 45 shall apply to the Company except as provided in section 9 of this Act.